



## Westchester-Putnam Multiple Listing Service, Inc.

59 South Broadway

White Plains, NY 10601

(914) 681-0833 Fax: (914) 681-6044

www.wcbr.net

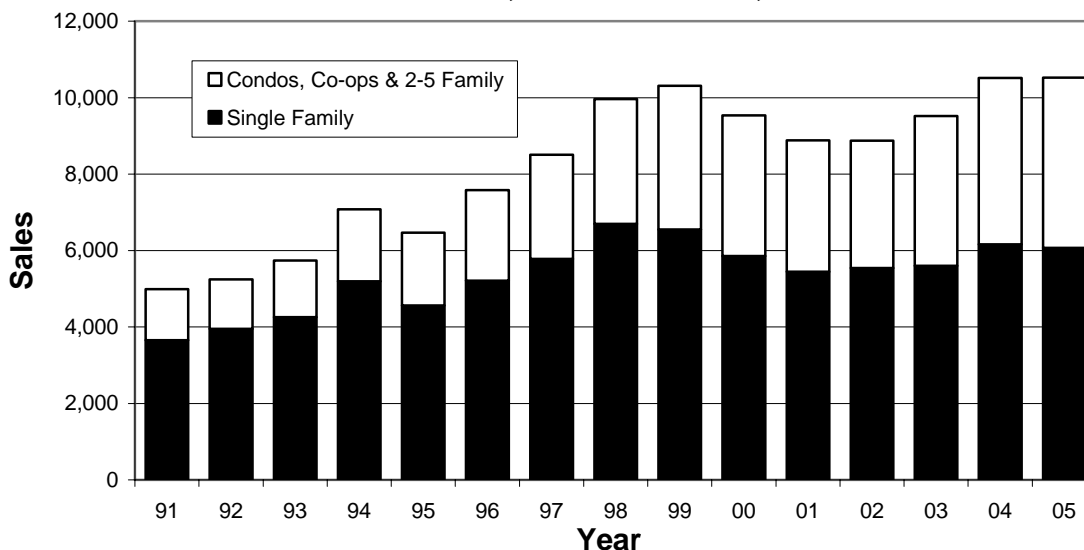
### 2005 FOURTH QUARTER AND FULL YEAR RESIDENTIAL REAL ESTATE SALES REPORT

January 31, 2006

Total sales of residential properties in Westchester County in 2005 passed 2004's record total by a nose. Realtors participating in the Westchester-Putnam Multiple Listing Service reported 10,524 closings of sold single-family houses, condominiums, cooperatives and 2-5 family properties in 2005, seven more than in 2004. In Putnam County the reported 1,306 sales were just 24 units shy of the prior year's total.

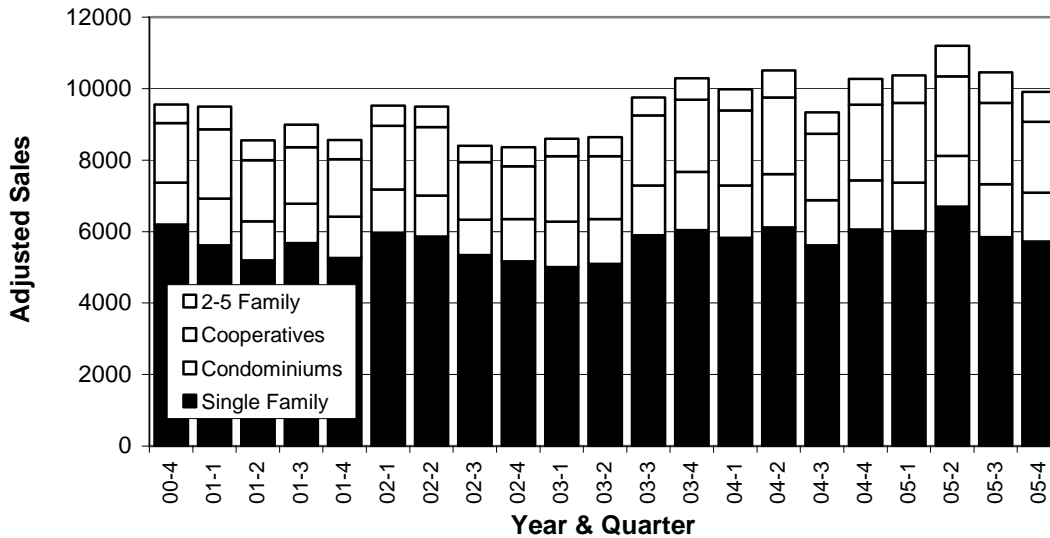
Westchester's sales of single-family houses, condos and co-ops actually decreased by 1% on average from 2004 to 2005, but a large increase of sales of multi-family family houses more than offset those retrenchments. There were 842 sales of multi-family houses in 2005, an increase of 123 properties or 17% more than in 2004. Of the various property types tracked by the MLS, the multi-family houses are the most affected by investment-driven decisions since such properties typically are evaluated according to their income-producing capability. The surge of sales in this sector was more attributable to investment considerations than to new interest in this housing type as a lifestyle choice.

**ANNUAL SALES, WESTCHESTER, 1991-2005**



Setting aside the impact of multi-family house sales, the fast pace of the 2005 market as a whole was largely concentrated in the first half of the year. The seasonally adjusted<sup>1</sup> sales rate was a powerful 11,200 units during the second quarter but eased by 7% in the third quarter, and by another 5%, to an annual rate of 9,910 units, in the fourth quarter. Actual fourth quarter sales – 2,404 in Westchester – were down 5% from the prior year and also down 2% from the fourth quarter of 2003. Putnam County’s fourth quarter house sales were down 7% from the prior year.

**SEASONALLY ADJUSTED QUARTERLY SALES  
Westchester County 2000-2005**



**SEASONALLY ADJUSTED QUARTERLY SALES**

Property Type	2003 4th	2004 1st	2004 2nd	2004 3rd	2004 4th	2005 1st	2005 2nd	2005 3rd	2005 4th	%Change 2005/3- 2005/4
<b>Westchester County</b>										
Single Family	6,040	5,830	6,120	5,620	6,060	6,010	6,700	5,850	<b>5,720</b>	-2.2%
Condominiums	1,630	1,460	1,490	1,260	1,370	1,360	1,420	1,480	<b>1,370</b>	-7.4%
Cooperatives	2,020	2,100	2,140	1,860	2,120	2,230	2,220	2,270	<b>1,980</b>	-12.8%
2-5 Family	<u>600</u>	<u>590</u>	<u>760</u>	<u>600</u>	<u>720</u>	<u>770</u>	<u>860</u>	<u>860</u>	<b>840</b>	-2.3%
<b>Total</b>	10,290	9,980	10,510	9,340	10,270	10,370	11,200	10,460	<b>9,910</b>	-5.3%
<b>Putnam County</b>										
Single Family	1,300	1,080	1,190	1,090	1,120	1,090	1,080	1,190	<b>1,060</b>	-10.9%
Condos+Co-ops	<u>220</u>	<u>180</u>	<u>170</u>	<u>190</u>	<u>200</u>	<u>230</u>	<u>240</u>	<u>150</u>	<b>160</b>	6.7%
<b>Total</b>	1,520	1,260	1,360	1,280	1,320	1,310	1,320	1,340	<b>1,220</b>	-9.0%

## ANNUAL COMPARISONS, 2002- 2005

Type Of Property	NUMBER OF SALES				Change 04 - 05	
	2002	2003	2004	2005	Amount	Percent
<b>Westchester County</b>						
Single Family Houses	5,546	5,601	6,157	<b>6,072</b>	(85)	-1.4%
Condominiums	1,118	1,404	1,438	<b>1,428</b>	(10)	-0.7%
Cooperatives	1,680	1,975	2,203	<b>2,182</b>	(21)	-1.0%
<u>2-5 Family Houses</u>	<u>529</u>	<u>539</u>	<u>719</u>	<u><b>842</b></u>	<u>123</u>	<u>17.1%</u>
<b>Total</b>	<b>8,873</b>	<b>9,519</b>	<b>10,517</b>	<b>10,524</b>	<b>7</b>	<b>0.1%</b>
<b>Putnam County</b>						
Single Family Houses	1,089	1,172	1,139	<b>1,116</b>	(23)	-2.0%
<u>Condos &amp; Co-ops</u>	<u>161</u>	<u>173</u>	<u>191</u>	<u><b>190</b></u>	<u>(1)</u>	<u>-0.5%</u>
<b>Total</b>	<b>1,250</b>	<b>1,345</b>	<b>1,330</b>	<b>1,306</b>	<b>(24)</b>	<b>-1.8%</b>

Type Of Property	DOLLAR VOLUME OF SALES (\$Millions)				Change 04 - 05	
	2002	2003	2004	2005	Amount	Percent
<b>Westchester County</b>						
Single Family Houses	3,808.4	4,128.2	5,103.2	<b>5,355.2</b>	252.0	4.9%
Condominiums	332.9	469.9	534.4	<b>601.2</b>	66.8	12.5%
Cooperatives	216.4	294.6	376.7	<b>438.1</b>	61.4	16.3%
<u>2-5 Family Houses</u>	<u>198.5</u>	<u>237.3</u>	<u>361.7</u>	<u><b>484.9</b></u>	<u>123.2</u>	<u>34.1%</u>
<b>Total</b>	<b>4,556.2</b>	<b>5,130.0</b>	<b>6,376.0</b>	<b>6,879.4</b>	<b>503.4</b>	<b>7.9%</b>
<b>Putnam County</b>						
Single Family Houses	372.1	458.2	481.5	<b>520.2</b>	38.7	8.0%
<u>Condos &amp; Co-ops</u>	<u>30.6</u>	<u>38.4</u>	<u>45.3</u>	<u><b>49.7</b></u>	<u>4.4</u>	<u>9.7%</u>
<b>Total</b>	<b>402.7</b>	<b>496.6</b>	<b>526.8</b>	<b>569.9</b>	<b>43.1</b>	<b>8.2%</b>

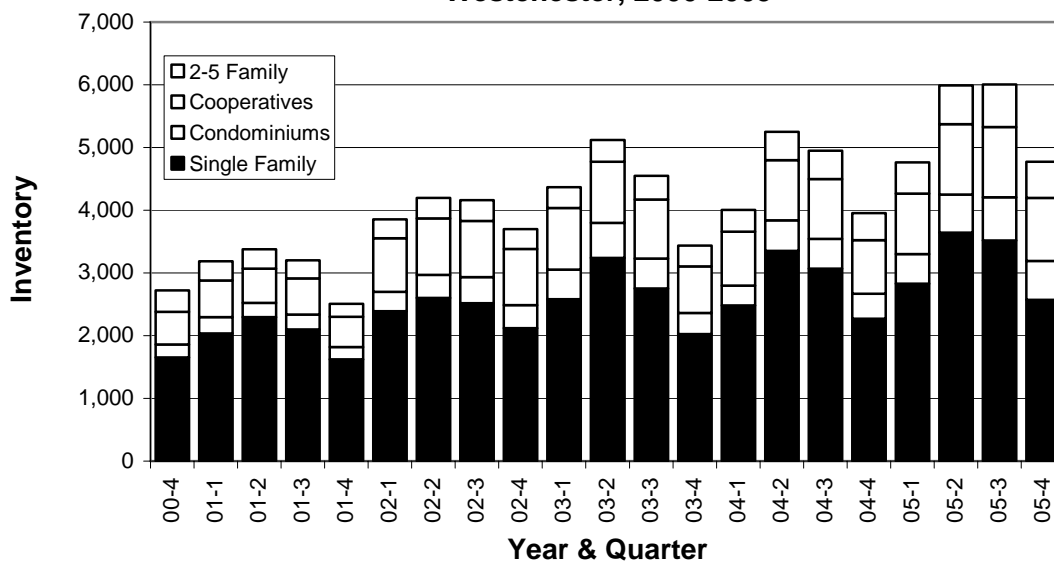
Type Of Property	MEDIAN SALE PRICE				Change 04 - 05	
	2002	2003	2004	2005	Amount	Percent
<b>Westchester County</b>						
Single Family Houses	525,000	564,000	645,000	<b>675,000</b>	30,000	4.7%
Condominiums	266,000	305,000	339,450	<b>375,000</b>	35,550	10.5%
Cooperatives	100,000	126,250	149,000	<b>172,000</b>	23,000	15.4%
2-5 Family Houses	355,000	425,500	480,000	<b>570,000</b>	90,000	18.8%
<b>Putnam County</b>						
Single Family Houses	305,000	351,000	385,000	<b>410,000</b>	25,000	6.5%
Condos & Co-ops	193,000	230,000	242,500	<b>272,500</b>	30,000	12.4%

Type Of Property	MEAN SALE PRICE				Change 04 - 05	
	2002	2003	2004	2005	Amount	Percent
<b>Westchester County</b>						
Single Family Houses	687,443	737,038	828,852	<b>881,949</b>	53,097	6.4%
Condominiums	297,308	334,696	371,653	<b>421,033</b>	49,380	13.3%
Cooperatives	128,104	149,151	170,993	<b>200,770</b>	29,777	17.4%
2-5 Family Houses	374,119	440,243	503,138	<b>575,919</b>	72,781	14.5%
<b>Putnam County</b>						
Single Family Houses	342,585	390,925	422,818	<b>466,136</b>	43,318	10.2%
Condos & Co-ops	189,081	221,961	237,234	<b>261,348</b>	24,114	10.2%

The cooling in the pace of sales reflected itself in the accumulation of inventory that has become more pronounced since 2003. The year-end inventories of 4,776 units in Westchester County and 821 units in Putnam County both were about 21% higher than at the end of 2004. However, the recent changes in inventory must be assessed in a longer-range context. In the early 1990s, the available inventory through the MLS ranged from 8,000 to as many as 11,000 units or approximately twice the current levels. Thus it would be incorrect to characterize the current levels as overhang - or even incipient overhang - and no one is seriously arguing that our area is about to flip its long-term imbalance of demand over supply in favor of the supply side.

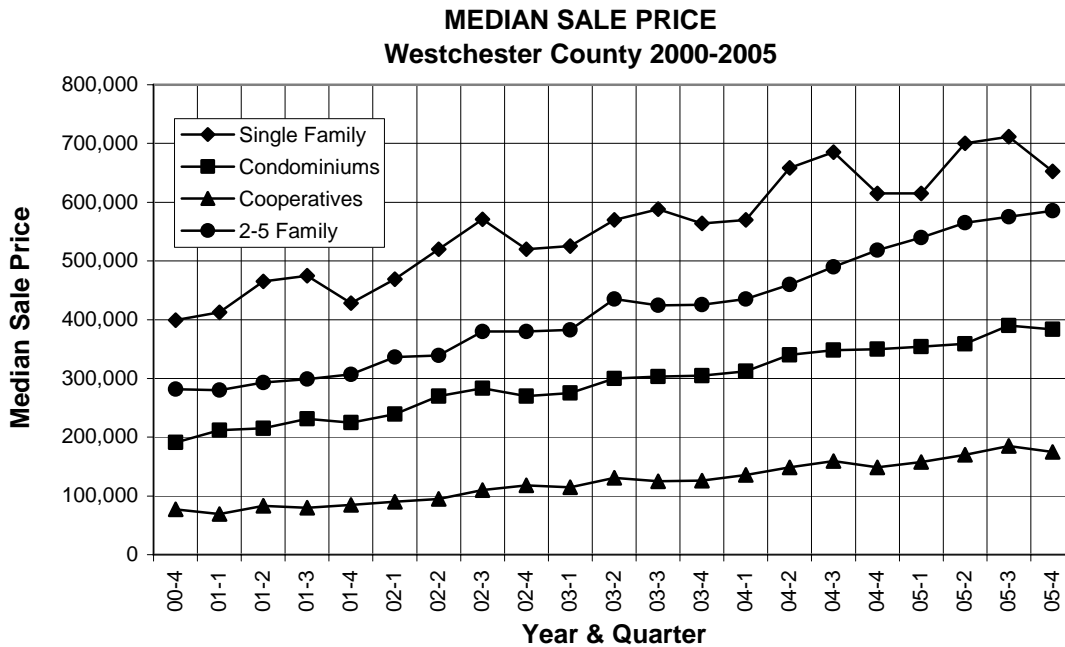
This is true even of the condominium sector which posted a very large 55% increase in inventory from 397 units in 2004 to 617 units at the end of 2005. Some of the bulking up may be attributable to an influx of newly constructed luxury condominiums, particularly in White Plains and the surrounding region. But in any case, the condo inventory of less than 400 units for the past several years has been extraordinarily low and had nowhere to go but up. Ten years ago the supply of condos was commonly in the range of 1,000 to 1,200 units. It should also be noted that the 1,428 sales of condos in 2005 were just ten fewer than last year's record-setting level, and that condo prices generally were about 11% higher in 2005 than 2004. Thus the higher condo inventory cannot be regarded as resulting from soft market conditions in that sector.

**END OF QUARTER INVENTORY  
Westchester, 2000-2005**



Type Of Property	INVENTORY AT DECEMBER 31				Change 04 - 05	
	2002	2003	2004	2005	Amount	Percent
<b>Westchester County</b>						
Single Family Houses	2,121	2,026	2,273	<b>2,573</b>	300	13.2%
Condominiums	364	334	397	<b>617</b>	220	55.4%
Cooperatives	897	748	853	<b>1,008</b>	155	18.2%
<u>2-5 Family Houses</u>	<u>318</u>	<u>328</u>	<u>430</u>	<u><b>578</b></u>	<u>148</u>	<u>34.4%</u>
<b>Total</b>	<b>3,700</b>	<b>3,436</b>	<b>3,953</b>	<b>4,776</b>	<b>823</b>	<b>20.8%</b>
<b>Putnam County</b>						
Single Family Houses	673	562	616	<b>750</b>	134	21.8%
<u>Condos &amp; Co-ops</u>	<u>53</u>	<u>41</u>	<u>67</u>	<u><b>71</b></u>	<u>4</u>	<u>6.0%</u>
<b>Total</b>	<b>726</b>	<b>603</b>	<b>683</b>	<b>821</b>	<b>138</b>	<b>20.2%</b>

Average sales prices of all types of residential properties increased in both Westchester and Putnam Counties from 2004 to 2005. The median<sup>2</sup> sale price of a single family house in Westchester increased by \$30,000 or 4.7% to \$675,000 for the year. In Putnam County the full-year median crossed the \$400,000 mark for the first time to arrive at \$410,000, a 6.5% increase over 2004's median of \$385,000.



The mean<sup>2</sup> sale prices of single family houses increased just a little more than the median, suggesting that the commanding presence of high-end properties in Westchester that was established in 2003 and 2004 was embedded in the 2005 market as well. Unpublished data indicate that so-called million-dollar house sales in 2005 accounted for 23% of all sales compared to 21% in 2004. The percentage of sales in the range of \$750,000 to \$1,000,000 was 19% in 2005 and 18% in 2004. The slight percentage increases from 2004 to 2005 were consistent with bracket creep, as prices of all properties generally move to higher levels with time. The overall picture in the 2005 single family house market, then, was one of moderate price increases and stability of both sales rates and the mix of moderate and luxury housing types.

Westchester's most affordable housing type, cooperatives, posted a 15.4% increase in the median sale price to \$172,000 for the year. The mean sale price for the year was \$200,770, the first time the whole-year average crossed the \$200,000 threshold, and reflecting the presence of highly priced units in the sales mix.

The median sale price posted in the high-volume multi-family house sector was \$570,000 or 18.8% more than in 2004. For all property types the year-to-year price increases in the fourth quarter of 2005 roughly tracked those of the year as a whole.

## FOURTH QUARTER COMPARISONS, 2002 - 2005

Type Of Property	NUMBER OF SALES				Change 04 - 05	
	4th 02	4th 03	4th 04	4th 05	Amount	Percent
<b>Westchester County</b>						
Single Family Houses	1,194	1,374	1,430	<b>1,316</b>	(114)	-8.0%
Condominiums	290	402	361	<b>360</b>	(1)	-0.3%
Cooperatives	409	537	562	<b>513</b>	(49)	-8.7%
2-5 Family Houses	135	150	184	<b>215</b>	31	16.8%
<b>Total</b>	2,028	2,463	2,537	<b>2,404</b>	(133)	-5.2%
<b>Putnam County</b>						
Single Family Houses	268	330	303	<b>282</b>	(21)	-6.9%
Condos & Co-ops	41	50	49	<b>42</b>	(7)	-14.3%
<b>Total</b>	309	380	352	<b>324</b>	(28)	-8.0%

Type Of Property	DOLLAR VOLUME OF SALES (\$Millions)				Change 04 - 05	
	4th 02	4th 03	4th 04	4th 05	Amount	Percent
<b>Westchester County</b>						
Single Family Houses	971.3	971.3	1,124.8	<b>1,115.0</b>	(9.8)	-0.9%
Condominiums	141.9	141.9	136.0	<b>157.0</b>	21.0	15.4%
Cooperatives	82.7	82.7	96.5	<b>105.9</b>	9.4	9.7%
2-5 Family Houses	69.2	69.2	100.2	<b>129.2</b>	29.0	28.9%
<b>Total</b>	1,265.0	1,265.0	1,457.5	<b>1,507.1</b>	49.6	3.4%
<b>Putnam County</b>						
Single Family Houses	126.9	126.9	131.2	<b>134.0</b>	2.8	2.1%
Condos & Co-ops	11.4	11.4	12.2	<b>10.8</b>	(1.4)	-11.5%
<b>Total</b>	138.2	138.2	143.4	<b>144.8</b>	1.4	1.0%

Type Of Property	MEDIAN SALE PRICE				Change 04 - 05	
	4th 02	4th 03	4th 04	4th 05	Amount	Percent
<b>Westchester County</b>						
Single Family Houses	520,000	545,500	615,000	<b>652,250</b>	37,250	6.1%
Condominiums	270,000	322,500	350,000	<b>383,750</b>	33,750	9.6%
Cooperatives	118,000	130,000	148,750	<b>175,000</b>	26,250	17.6%
2-5 Family Houses	380,000	456,250	518,250	<b>585,500</b>	67,250	13.0%
<b>Putnam County</b>						
Single Family Houses	330,000	349,450	390,000	<b>413,000</b>	23,000	5.9%
Condos & Co-ops	205,000	232,000	257,500	<b>270,000</b>	12,500	4.9%

Type Of Property	MEAN SALE PRICE				Change 04 - 05	
	4th 02	4th 03	4th 04	4th 05	Amount	Percent
<b>Westchester County</b>						
Single Family Houses	671,303	706,893	786,583	<b>847,242</b>	60,659	7.7%
Condominiums	299,744	352,927	376,639	<b>436,194</b>	59,555	15.8%
Cooperatives	131,910	153,936	171,791	<b>206,515</b>	34,724	20.2%
2-5 Family Houses	391,322	461,335	544,664	<b>600,955</b>	56,291	10.3%
<b>Putnam County</b>						
Single Family Houses	372,775	384,437	433,110	<b>475,044</b>	41,934	9.7%
Condos & Co-ops	199,217	227,350	249,147	<b>258,208</b>	9,061	3.6%

## A Look Ahead

The strong performance of the Westchester and Putnam County housing market in 2005 rested upon stability in the economic environment for home buying in our region. One of the most important factors was that mortgage interest rates remained highly affordable for the entire year notwithstanding several interventions by the Federal Reserve Board in its short-term rate that seemed to have little or no effect on long-term rates. The average interest rate for a conventional 30-year mortgage ranged between 5.5% and 6.5% for nearly the entire year. Most analysts were expecting 30-year rates to cross the 7% threshold at some point in 2005, thereby depressing housing sales, but that did not happen. It is still not a sure bet as to how quickly interest rates will increase in 2006.

Another factor supporting the local housing market is that job growth and low unemployment have been fairly steady, a condition that creates a sense of confidence among prospective first-time home buyers as well as relocating residents. Employment of Westchester and Putnam County residents increased by less than 1% in 2005, and job growth in both counties increased by not much more than that, but at least there was growth. The unemployment rate was quite low at around 4% at both the beginning and end of the year. There were no bombshells in the way of significant downsizings or corporate relocations out of Westchester that would militate against confidence in the housing market. Our important neighbor to the south, New York City, continued to enjoy a strong economy that boosted its real estate values and thereby enabled equity-rich sellers to continue to enter the suburban real estate markets.

There is no reason to believe that mortgage interest rates will skyrocket in 2006, or that our area will encounter unusual economic decline that would depress the housing market. While 2005 technically set volume and pricing records, the MLS data show that the year was more on a level with 2004 than creating a new peak. In terms of the high-flying housing market of the past five years we have probably already achieved touchdown on the runway to a soft and uneventful landing. The prospect for 2006 is continued high sales volumes but probably not record setting ones, moderate price increases including just single-digit increases in the single family house sector, and continued growth of inventory that will offer buyers more choice but not an excess.

# # #

The Westchester-Putnam Multiple Listing Service, Inc. (WPMLS) is a subsidiary of the Westchester County Board of Realtors, Inc. and the Putnam County Association of Realtors, Inc. WPMLS serves more than 900 real estate offices having listings in Westchester, Putnam and Dutchess Counties. All data tables refer to Westchester County sales unless expressly noted otherwise. The reported transactions do not include all real estate sales in the area or all sales assisted by the participating offices but they are fairly reflective of general market conditions. WPMLS does not provide data on sub-county geographic areas. Persons desiring sub-County data are invited to contact participating real estate offices in the desired areas. Any text or data from this report may be reprinted, but not altered, with attribution to Westchester-Putnam Multiple Listing Service, Inc. as the source.

<sup>1</sup>The seasonally adjusted rate is an estimate of what the full year's sales would be if, based on past experience, the customary sales share of the current quarter were projected to a full twelve months. The adjusted rate permits comparisons of seasonally unequal periods by converting each period to its equivalent annual rate.

<sup>2</sup>The median sale price is the mid-point of all reported sales, i.e., half of the sales were for more than the median price and half were for less. The median is not affected by unusually low or high sale prices. The mean sale price is the arithmetic average, i.e., the sum of all sales prices divided by the number of sales. The mean does reflect the influence of sales at very low or very high prices.